

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
Second Regular Session

House Bill No. 4966

Introduced by HON. LINABELLE RUTH R. VILLARICA
4TH DISTRICT, BULACAN

EXPLANATORY NOTE

The remittance of membership contributions or loan payments to the Government Service Insurance System (GSIS) should be deducted regularly by the employers from the monthly salaries of employees, as mandated by law.

Failure to do so would mean an imposition of 2% interest per month, retroactive to the date when the supposed premium was supposed to have been remitted to the GSIS. In addition, the GSIS does not include as part of a retiree's creditable service record, for purposes of computing retirement benefits, any period for which the employee's premium contributions were not remitted to the GSIS by his office or agency. This shortens the creditable period of service of an employee, which in effect reduces the benefits entitled to a member.

These policies punish the employees for the act, omission and offense of their employers or agency, who under Section 5 (c) of R.A. No. 8291 and Section 3 (2), (3), (4) and (7) of the Implementing Rules and Regulations have the primary responsibility and duty to remit its employees' premium contributions to the GSIS.

This bill seeks to address the issue of non-remittance of premium contributions by prohibiting the deduction of such premium contributions, which were not remitted to the GSIS from the social security benefits and other social security benefits of GSIS members and to prohibit the deduction of the GSIS members' creditable service records the periods for which his premium contributions were not remitted to the GSIS. The bill also proposes to fund the delinquent contributions of government employees.

Support for the enactment of this measure is earnestly requested.



REP. LINABELLE RUTH R. VILLARICA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
Second Regular Session

House Bill No. 4966

Introduced by HON. LINABELLE RUTH R. VILLARICA
4TH DISTRICT, BULACAN

AN ACT AMENDING REPUBLIC ACT No. 8291, OTHERWISE KNOWN AS THE
"GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997" AND INSTITUTIONALIZING
REFORMS AND CORRECTIVE MEASURES IN THE COLLECTION AND REMITTANCE OF
CONTRIBUTIONS OF GSIS PREMIUMS

Be it enacted by the Senate of the Philippines and the House of Representatives in Congress assembled:

SECTION 1. Section 5, 7 and 10 of R.A. No. 8291, otherwise known as the "Government Service Insurance System Act of 1997" are hereby amended to read as follows:

"SEC. 5. *Contributions xxx.* – (c) It shall be mandatory and compulsory for all employers to include the payment of contributions in their annual appropriations. Penal sanctions shall be imposed upon employers AND HEADS OF OFFICES AND AGENCIES who fail to include the payment of contributions in their annual appropriation or otherwise fail to remit the accurate/exact amount of contributions on time, or delay the remittance of premium contribution to the GSIS. The heads of offices and agencies shall LIKEWISE be administratively liable for non-remittance or delayed remittance of premium contributions to the GSIS."

"SEC. 7. *Interest on Delayed Remittances.* – Agencies which delay the remittance of any and all monies due the GSIS shall be charged interests as may be prescribed by the Board but not [less] MORE than two percent (2%) simple interest per month. Such interest shall be paid ONLY by the employers concerned."

SEC. 10. *Computation of Service.* – (a) The computation of service for the purpose of determining the amount of benefits payable under this Act shall be from the date of original appointment/election, AND NOT FROM THE START OF PAYMENT OF PREMIUM, including periods of service at different times under one or more employers, those performed overseas under the authority of the Republic

of the Philippines, and those that may be prescribed by the GSIS in coordination with the Civil Service Commission.

SEC. 2. *PREMIUMS NOT PAID.* – ALL OUTSTANDING PREMIUM CONTRIBUTIONS, WHICH WERE NOT PAID BY ANY GOVERNMENT OFFICE OR AGENCY PRIOR TO THE PASSAGE OF THIS ACT, SHALL BE INCLUDED IN THE ANNUAL BUDGET AFTER THE PASSAGE OF THIS ACT AND SHALL BE REMITTED AUTOMATICALLY BY THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) TO THE GSIS. AFTER THE PAYMENT OF THE SAME, THE GSIS SHALL NOT DENY OR REDUCE ANY BENEFITS OF ANY GSIS MEMBER FOR THE FAILURE TO REMIT THEIR CONTRIBUTIONS BY THEIR AGENCY.

SEC. 3. *NON-REMITTANCE OF CONTRIBUTIONS.* – (A) FAILURE BY THE EMPLOYER OR REMITTING OFFICE CONCERNED TO REMIT TO THE GSIS THE OUTSTANDING PREMIUM CONTRIBUTIONS SHALL NOT BE A GROUND TO DENY OR REDUCE THE RETIREMENT BENEFITS OR OTHER SOCIAL SECURITY BENEFITS DUE TO A GSIS MEMBER.

SEC. 4. *PENALTY.* – FAILURE OF ANY EMPLOYER, REMITTING OFFICER OR EMPLOYEE OF THE GOVERNMENT SERVICE INSURANCE SYSTEM DESIGNATED TO FULFILL THE PROVISIONS OF THIS ACT SHALL BE PUNISHED BY A FINE OF NOT LESS THAN PHP 50,000.00 NOR MORE THAN PHP 100,000.00 AND BY IMPRISONMENT OF NOT LESS THAN SIX (6) YEARS NOR MORE THAN TWELVE (12) YEARS.

Sec. 5. *Separability Clause.* – Should any provisions of this Act or any part thereof be declared unconstitutional or invalid, other parts or provisions hereof not affected shall remain in full force and effect.

Sec. 6. *Repealing Clause* – All laws, issuances, circulars, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

Sec. 7. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation or in the Official Gazette.

Approved,

f